



# PSC NEWS

## Missouri Public Service Commission

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### **PSC APPROVES AGREEMENT REACHED IN ATMOS ENERGY CASE**

Jefferson City (April 1, 2004)---The Missouri Public Service Commission has approved an agreement reached between the PSC Staff, the Office of the Public Counsel and Atmos Energy Corporation which will reduce the natural gas rates of customers in the Company's SEMO District in southeast Missouri. This reduction reflects a PSC Staff prudence review conducted on the Company covering the 2000-2001 and 2001-2002 winter heating seasons which examined the Company's gas purchasing practices during those time periods.

Atmos Energy Corporation will end up adjusting rates for its firm customers (including its residential customers) by approximately \$1.2 million as a result of the two cases. Approximately \$630,000 of the \$1.2 million was implemented through the Company's November 2003 Purchased Gas Adjustment (PGA) filing. Another approximate \$630,000 adjustment will occur when Atmos makes its November 2004 PGA filing with the Commission. The PSC Staff estimates a residential customer will see their natural gas rate drop by an additional \$19 a year with the November 2004 PGA filing.

The agreement to adjust rates by approximately \$630,000 is based upon the PSC Staff's belief that the purchased gas volumes used by Atmos Energy Corporation for the 2001-2002 winter heating season to calculate the unit cost of gas were too low, thus resulting in an overstated unit cost of gas.

An important function of the Missouri Public Service Commission is a thorough review, at the end of a 12-month period, of the purchasing practices of the local natural gas company (in this case Atmos Energy Corporation). This is often called a prudence review, which is conducted on all natural gas companies under PSC jurisdiction. Many factors are looked at including: 1) Did the Company purchase gas supplies for their customers prudently; and 2) Did the Company make reasonable decisions given the facts and circumstances that existed at the time purchase decisions were made.

**The Missouri Public Service Commission does not regulate wholesale supplier rates which are the rates that local natural gas companies must pay to its suppliers for natural gas.**

Atmos Energy Corporation serves approximately 37,300 natural gas customers in its SEMO District which includes the Missouri counties of New Madrid, Pemiscot, Ripley, Cape Girardeau, Dunklin, Scott, Iron, Wayne, Stoddard and Mississippi.

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